



TOWN OF HOPKINTON, NEW HAMPSHIRE

FRAUD

POLICY NO. 35

1. PURPOSE

Financial accountability is a top priority for the Town of Hopkinton. The Town's fraud policy formalizes the expectations of personal honesty and integrity required of Town officials and employees. The Town of Hopkinton is committed to protecting its revenue, property, information and other assets from any attempt, either by members of the public, contractors, sub-contractors, agents, intermediaries or its own employees, to gain by deceit, financial or other benefits. This policy prohibits fraud or misuse of the Town of Hopkinton's assets and sets forth specific guidelines and responsibilities regarding appropriate actions that must be followed for the investigation of fraud and other similar irregularities.

2. ORGANIZATIONS AFFECTED

All departments and divisions of the Town.

3. DEFINITIONS

As used in this policy, the terms listed below shall have the following definitions:

- a) *Embezzlement* is any loss resulting from the misappropriation of the Town of Hopkinton assets.
- b) *Misappropriate* is to take or make use of any item without authority or right.
- c) *Loss* is defined as the Town of Hopkinton losing possession or control of any type of asset through fraudulent activities.
- d) *Fraud* is the intentional misrepresentation or omission of facts for personal gain.
- e) *Employee(s)* refer to all Town of Hopkinton employees, independent contractors, consultants, and temporary workers.
- f) *Assets* refer to the entire property of the Town, association, corporation, or estate applicable or subject to the payments of debts. Assets include, but are not limited to, all Town vehicles and building properties, computers and software, cash receivables, wages and benefits.
- g) *Equipment* is defined as a fixed asset that is not consumable or expandable; it is movable, even though sometimes attached to other objects or buildings; and its removal does not create a readily observable physical impairment or deterioration. Examples include, but are not limited to: Office equipment including computers, desk cabinets, printers and scanners, any electronic data processing equipment, training/educational equipment, medical supplies, and furnishings, audio-visual, cameras and recording devices. Equipment also includes, but is not limited to, all construction and maintenance equipment, air conditioners, fire-fighting equipment, and tools, rescue equipment and tools.

4. POLICY

The Town of Hopkinton has adopted a zero tolerance policy regarding fraud. No employee of the Town shall remove any Town of Hopkinton assets from the property, misuse any Town assets for ones personal gain, or willfully misappropriate any Town of Hopkinton asset. Any evidence supporting fraud, theft or embezzlement of Town of Hopkinton assets and equipment may be subject to the following actions including but not limited to: suspension, termination, restitution, and criminal charges. Any Town of Hopkinton employee who is aware of fraud being committed against the Town by anyone shall report such activity to the Police Department.

5. PROHIBITED ACTS

Fraud and misuse of the Town of Hopkinton assets are prohibited. Examples of fraud and misuse of Town assets include but are not limited to:

- a) Embezzlement
- b) Misappropriation, misapplication, destruction, removal, or concealment of Town of Hopkinton property.
- c) Alteration or falsification of documents.
- d) Theft of any asset (money, tangible property, etc.)
- e) Authorizing or receiving compensation for goods not received or services not performed.
- f) Authorizing or receiving compensation for hours not worked.
- g) Misrepresentation of fact.

6. COMPLAINT PROCEDURE

- a) Employees shall read and understand this policy. Additionally, suspected or known fraudulent acts by employees shall be reported to their respective Department Head. If the employee has reason to believe that their Department Head may be involved, the employee shall notify the *directly Police Department*~~Department~~*insert* (Town Administrator directly.)
- b) Supervisors shall a) communicate the provisions of this policy to all staff, b) take no action without consulting the Department Head, c) recommend appropriate disciplinary action when there is evidence of wrong-doing, and d) if suspension or termination is recommended, consult with the Town Administrator.
- c) Department Heads shall communicate any suspected or known fraudulent act to the Police Department and Town Administrator. The Police Department and Town Administrator will notify each other of each reported incident and keep the Chairman of the Selectmen abreast of the investigation.
- d) All participants in a fraud investigation shall keep the details and results of the investigation confidential. Any employee reporting an act of fraud; or assisting, testifying, or participating in a fraud investigation, acting in accordance with the requirements of this policy, shall not be subject to any adverse employment action unless it is determined the employee is culpable for such action and/or made an allegation knowing it was false. Examples of adverse employment action include, but are not limited to, discipline, suspension, threatening to discipline or suspend, coercion, acts of intimidation, and firing.

Departments Heads, Supervisors and employees shall communicate any suspected or known fraudulent act by an elected official of the Town to the

Police Department and notify the Chairman of the Board of Selectman of the investigation.

7. PREVENTION

Each department will maintain an internal control environment to protect the department and the Town from loss or other damages as a result of a fraudulent act.

8. FALSE ALLEGATIONS

False allegations of suspected fraud with the intent to disrupt or cause harm to another may be subject to disciplinary action up to and including termination of employment.

9. CORRECTIVE ACTIONS AND DISCIPLINE

Appropriate and timely action will be taken against those proven to have committed fraudulent act. These remedial actions may include, but are not limited to:

- a) Disciplinary action (up to and including immediate termination of employment).
- b) Restitution for all losses, including investigation and legal expenses, to the fullest extent of the law.
- c) Forwarding information to the appropriate authorities for criminal prosecution.
- d) Institution of civil action to recover losses.
- e) Where the Town of Hopkinton elects to take corrective or disciplinary action, it will proceed under the procedures in place under policy or under any collective bargaining agreement for the respective employment classification.
- f) The Town of Hopkinton may take corrective or disciplinary action without awaiting the resolution of criminal or civil proceedings arising from fraudulent conduct.

10. CONFIDENTIALITY

All investigations will be conducted in confidence insofar as reasonably possible. The names or names of those communicating information about a fraudulent act or the name or names of those suspected of a fraudulent act will only be revealed when required by law in conjunction with the investigation or legal action.

Adopted by vote of the Board of Selectmen on this date, the 7^h day of April 2008

Scott Flood, Chairman

Christopher Lawless, Selectman

George Langwasser, Selectman

James J. O'Brien, Selectman

Tom Congoran, Selectman